null Lucia A Keegan 11/07/2006 03:00:16 PM From DB/Inbox: Lucia A Keegan

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S E C R E T SECTION 01 OF 03 PARIS 007211

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E.O. 12958: DECL: 11/2/2016

TAGS: FR KDEM PGOV PREL SY SUBJECT: "WE'RE STUCK": FRENCH GLUM ON LEBANON,

ISRAELI-PALESTINIAN RELATIONS

Classified By: Political Minister-Counselor Josiah Rosenblatt, reasons 1.4 (b) and (d).

11. (S) Summary: In an Oct. 31 meeting with NEA DAS Scott Carpenter, MFA A/S-equivalent for the Middle East and North Africa Jean Felix-Pagagnon said FM Douste-Blazy was unlikely to attend the November 30 session of the Forum For the Future in Jordan. Felix-Pagagnon went on to offer a remarkably bleak tour d'horizon of the region. On Lebanon, he predicted it would be "very difficult" to make further progress on the implementation of UNSCR 1701 in the near future and said France wanted to offer additional economic support to the Siniora government but faced dire budgetary constraints. With respect to the Palestinians, Felix-Pagagnon said the prospect of a national unity government appeared "more remote than ever." He assessed that PA President Abbas ("a nice old man, but not a leader") was headed toward a confrontation with Hamas that would likely result in new elections, but it was far from certain that Abbas would come out on top. Abbas loses, then we will be confronted with a reinforced ' he mused. Felix-Pagagnon sought to disassociate France from Spanish FM Moratinos' call for an international conference on the Middle East ("not what Chirac had in mind"), and finished by saying that France was content to keep turning the screws on Syria for the time being. End summary.

Participants

12. (C) NEA DAS Scott Carpenter met October 31 with Jean Felix-Pagagnon, the Quai's Director for the Middle East and North Africa (NEA A/S equivalent). Felix-Pagagnon was accompanied by his PDAS-equivalent, Gilles Bonnaud, and by Nathalie Yafi, the Directorate's point-person on the

Barcelona Process and BMENA issues. DAS Carpenter was joined by Embassy Pol MinCouns and NEA Watcher.

## Mideast Reform

13. (C) DAS Carpenter led off with a description of the Department's latest efforts to promote democratic reform in the region. Felix-Paganon contended that reform was a "huge challenge" and "a chicken and egg question" in terms of its relationship with Israeli-Palestinian peace. "The Arab governments all say that without progress on the Middle East peace process it is too dangerous for them to move on reform," Felix-Pagagnon observed. DAS Carpenter pushed back against the idea that democratic reform should be held hostage to the peace process, noting that the region suffers from tremendous political, demographic and economic challenges that urgently need to be addressed whatever the status of Palestinian-Israeli relations. Turning to the November 30 session of the Forum for the Future in Jordan, Felix-Pagagnon observed that FM Douste-Blazy was unlikely to attend because of another engagement.

## Gloom on Lebanon . . .

- ¶4. (S) Felix-Pagagnon then offered a markedly pessimistic analysis of developments in the Middle East, which he perceived to be dangerously adrift. "I don't know where we are headed," he said. Despite the accomplishments of UNSCR 1701 (the withdrawal of the IDF from Lebanon/the deployment of the LAF in the south), further progress would be "very difficult" to achieve. Although the French were working on a package of security proposals that they planned to share with the GOI in the near future, he feared that the current regional dynamic would allow Hizballah to block any progress simply by refusing to release its IDF captives. "We're stuck," he summarized.
- 15. (S) Moreover, Felix-Pagagnon foresaw sharp limits to any further French financial aid for Lebanon. He acknowledged that the success of the January 2007 "Paris 3" conference would hinge on Lebanese economic reforms: the international community would not open its wallet without evidence of serious reform. However, reform would only be possible if the Siniora government could find a way to make it palatable to a public accustomed to generous social benefits (he estimated that a third of Lebanon's deficit was due to subsidized utilities). Consequently, the challenge was to find an infusion of money that would allow PM Siniora to make reform palatable to the Lebanese electorate. Unfortunately, French Treasury officials insisted that France faced its own "dire constraints" and could ill-afford any new grants to Lebanon -- although favorable loans remained a possibility.
- 16. (S) Rounding out his assessment of Lebanon, Felix-Pagagnon opined that the Siniora government was in bad shape, having failed to take the lead on reconstruction away from Hizballah. He added that while both the Siniora government and that of Israeli PM Olmert could be described as weak, there was no true comparison because a collapse of the Olmert government would only trigger a short political crisis, whereas a collapse of Siniora's government would occasion a structural crisis in the Lebanese polity.

## . . . And Doom on Israeli-Palestinian Relations

17. (S) Sobering though his assessment of Lebanon was, Felix-Pagagnon seemed to find the current state of play between the Israelis and Palestinians even more dismaying. He said the prospects for a Palestinian government of national unity were "more remote than ever" and that both Hamas and President Abbas believed there was no way to reach an agreement on the basis of the Quartet's principles. Consequently, the Quai perceived a looming confrontation between President Abbas and Hamas, with Abbas likely replacing the Hamas-led government with a cabinet of

technocrats before proceeding to a referendum or new parliamentary elections. "Nobody knows what the outcome of those elections would be; our CG in Jerusalem says it could go either way," Felix-Pagagnon said. But the stars did not favor Abbas: Fatah had failed to put its house in order, and Abbas himself was "a nice old man, but not a leader . . . If Abbas loses, then we will be confronted with a reinforced Hamas." (Israeli PM Olmert fared little better in Felix-Pagagnon's opinion. "A bit of a disappointment -- it's no surprise that many Israelis distrust their political leadership," was the French diplomat's tart assessment.) He concluded by suggesting that Palestinian society was "headed to catastrophe" and said Israel would not find it any easier to co-exist with a Palestinian society that had totally disintegrated. "Even if it's just disorganized shabab running around throwing Molotov cocktails (as opposed to organized Hamas violence), how is that better?" he asked.

Moratinos' Conference? Not What Chirac Envisioned

- 18. (S) Felix-Pagagnon sought to distance France from Spanish FM Moratinos' call for an international conference on Middle East peace. "While it's true that President Chirac called for an international conference, we don't think this is what he had in mind," he said. Chirac thought that an international conference "was an idea worth exploring," but the French did not intend for such a conference to be a starting point for final status talks. "We have no specific proposals. Ours is not the Amr Musa/Arab League approach where one comes with a blueprint of what the parties need to do, and then the parties tick the boxes," he said.
- 19. (S) Nonetheless, Felix-Pagagnon evinced little love for the Roadmap, or even for the Quartet principles (which, ironically enough, were first articulated by the French themselves). "The principles are ok, but they're primarily for reasonable people, not extremists," he explained. In his view, both the Roadmap and the Quartet principles allowed extremists to block any movement towards peace.

## Syria: A Few More Twists of the Screw

- ¶10. (S) While he doubted that international isolation was having much of an effect on Hamas, Felix-Pagagnon said he was confident that the isolation of Syria was bearing fruit. (He noted laughingly, however, that France itself was isolated within Europe on the question of isolating Syria.) Having made a hash of its relations with the Gulf and Egypt, Syria had never been so isolated within the Arab world. The Brammertz investigation provided an additional tool for bringing pressure to bear. Felix-Pagagnon added philosophically: "At some point we need to offer the Syrians a way out, but we need a few more twists of the screws first. So for now, we should keep turning the screws."
- 111. (S) In conclusion, a somewhat sheepish Felix-Pagagnon apologized for his negativity. He noted: "We really feel we are in a quagmire. We need fresh thinking, but the overall environment is not propitious for fresh thinking." (Comment: On a personal level, Felix-Pagagnon was far from despondent -- he displayed a certain mordant wit even when his analysis was at its bleakest. But we take seriously his candid assessment of the difficulty in making further progress on UNSCR 1701 implementation -- and his admission that the French have no good ideas about where to go from here. As for the Palestinians, the French had clearly pinned their hopes on Hamas joining a national unity government, and were almost certainly prepared to accept any wink and a nod to the Quartet principles that President Abbas managed to extract from the Hamas leadership. Khalid Mishal's ineptitude has made the job of keeping the French on the reservation easier for the time being, but -- as Felix-Pagagnon's comments denote -- they are not happy about it. End comment.)
- 112. (U) This cable has been cleared by DAS Carpenter.

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